

CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD
June 12, 2012
East End Complex Auditorium
1500 Capitol Ave.
Sacramento, CA 95814

Agenda Item I: Call to Order, Roll Call, and Welcome

Chairwoman Dooley called the meeting to order at 10:00 a.m.

Board members present during roll call:
Diana S. Dooley, chair
Kimberly Belshé
Paul Fearer
Susan Kennedy
Robert Ross, MD

Agenda Item II: Closed Session

Agenda Item III: Approval of Past Meeting Minutes

After asking if there were any changes to be made, Chairwoman Dooley asked for a motion to approve the minutes from the meetings held April 26 and May 15, 2012.

Presentation: [April 26, 2012, Minutes](#)

Presentation: [May 15, 2012, Minutes](#)

Discussion: none

Public Comments:

Jim Mullen, senior legislative analyst, Delta Dental, asked that his comments from the April 26, 2012 Board meeting, be corrected in the record. He clarified that pediatric dental benefits are a component of the essential health benefits and that California cannot be certified unless it covers pediatric dental benefits.

Motion/Action: Board member Ross moved to approve the minutes from the April 26 and May 15, 2012, meetings. Board member Fearer seconded the motion.

Vote: Roll was called, and the motion was approved by a unanimous vote.

Agenda Item IV: Announcement of Closed Session Actions

Chairwoman Dooley called the meeting to order at 12:18 p.m. A conflict disclosure was performed; there were no conflicts from the board members that needed to be disclosed.

Actions taken at closed session, June 7 (3:00 PM – 4:00 PM), Gregory Bateson Building, 1600 9th Street:**Contractual Matters:**

The Board updated authority to the Executive Director to execute the final IT contract for the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS). Mr. Lee reported the Exchange is in discussions with federal officials regarding the award of the contract to Accenture, adding federal approval is expected soon.

Actions taken at closed session, June 12:**Contractual Matters:**

The Board approved an engagement subject to consultation with the Managed Risk Medical Insurance Board (MRMIB) and the Department of Health Care Services (DHCS) for design options for the Exchange's service center. The contracted entity will be disclosed following discussions with MRMIB and DHCS.

The Board approved an interagency agreement with California State University, Sacramento (CSUS), extending their contract for meeting support through June 2014. Mr. Lee expressed appreciation to the CSUS team for great service facilitating logistics, supporting phone and web meeting participation.

The Board approved an interagency agreement with DHCS for IT infrastructure support.

Personnel Matters:

The board approved offering the CalHEERS project director position; more information will be provided after the candidate has been notified.

Public comments: none

Agenda Item V: Report from the Executive Director

Mr. Lee noted that the July 19 meeting will be held in the Bay Area. The item on today's agenda related to Qualified Health Plans will be carried forward to the July 19 meeting. The item on consumer/assistance ombudsman will be carried forward to the August 23 meeting.

Mr. Lee noted staff shared several reports with the board including a report on the potential implications of the U.S. Supreme Court decision on the constitutionality of the Affordable Care Act; a California HealthCare Foundation sponsored survey of Medi-Cal beneficiaries, which can help inform discussions of education, outreach, and enrollment; and a report from the Bay Area Council on the economic impact of the Affordable Care Act.

Mr. Lee introduced three new Exchange staff: Gary Cohen, General Counsel; Cynthia Hayden, assistant project director for CalHEERS; and Mona Stolz, senior information system analyst.

Discussion: Update on Planning**Presentation:** [Exchange Planning Overview](#)

Mr. Lee presented a planning update including the federal establishment grant application timelines, the Exchange blueprint submission/approval timeline, and the 2012 working discussion and decision calendar.

In January 2011, the U.S. Department of Health and Human Services (HHS) announced grants to help states continue their work to implement health insurance exchanges. These grants provide up to one year of funding to states that have made some progress under their Exchange planning grant. According to HHS, states may plan to reapply for a second year of funding under the level one establishment grants if necessary to meet the criteria to apply for level two establishment grants.

Mr. Lee noted the Exchange will submit multiple level one establishment grant requests rather than a multiyear level two request. The Exchange's second level one request, to be titled the Level 1.2, will be submitted June 29, 2012. Mr. Lee added a Level 1.3 establishment grant request will be prepared for submission between August and November, 2012. The Exchange will also submit a "blueprint" to HHS, required for federal certification as a state-based Exchange, by November 16, 2012. The blueprint provides HHS comprehensive information to assess a state-based Exchange's readiness to comply with all legal and operational requirements in preparation for operations beginning in 2014.

Discussion: Legislative Update and Authorization to Provide Technical Assistance

David Panush, Director of Government Relations, said the Legislature is currently working on the budget, including an element affecting the Exchange and CalHEERS. Both the Senate and Assembly budget subcommittees have adopted trailer bill language deleting a section of existing law that would have precluded the Office of Systems Integration from providing project management services for the CalHEERS project without having specific legislative authority. There is also language in the budget bill that would provide expenditure authority pursuant to an interagency agreement.

Mr. Panush noted that with about 75 days left in session, a number of key issues must be addressed in the coming weeks: essential health benefits, individual market and small group reforms, eligibility and enrollment issues that affect CalHEERS and the Exchange, reinsurance, risk adjustments, co-ops, horizontal integration, and unfair business practices. The Exchange has added new staff that has expanded its legislative analysis capabilities. Mr. Panush requested the Board approve a resolution authorizing the Executive Director or his designee to provide technical assistance on legislation. Mr. Panush noted that staff would come back to the board for formal bill positions.

Motion/Action: Board member Ross moved to authorize the executive director or his designee to provide technical assistance on legislation, and Board member Fearer seconded the motion.

Discussion:

Board member Belshé asked how staff will determine which bills rise to the level of board discussion. Mr. Panush stated that staff will work to identify those bills in the next few months noting that the ability to provide technical assistance will allow flexibility so the Exchange can avoid problems later.

Public Comment:

Beth Capell, Health Access California, noted it is customary for agencies to provide technical assistance on legislation as it moves forward without necessarily taking a position, which is often helpful for proponents of legislation to understand the technical impacts.

Vote: Roll was called, and the motion was approved by a unanimous vote.

Discussion: Consumer Outreach Focus Group Findings

Mr. Lee introduced Larry Bye, under contract with Ogilvy, with NORC at the University of Chicago, who summarized the initial findings from the four consumer focus groups that have been held.

Presentation: [NORC Outreach & Education Consumer Group Findings](#)

Mr. Bye presented a summary of the findings including experience being uninsured, experience shopping for insurance, marketplace awareness and attitudes, marketplace benefits and barriers, suggestions for a user-friendly exchange, benefits/barriers to buying insurance, marketplace positioning, messaging and promotional channels.

Another round of focus group interviews will be held in the coming month in Sacramento and the Bay Area. The focus groups will be split by gender and comprised of those receptive to purchasing coverage as well as Chinese and Vietnamese language groups.

Discussion:

Board member Belshé thanked Mr. Bye for the presentation, noting the focus group presentation shows it's important that the Exchange not overpromise, and that it must deliver to gain trust. She noted a concern about an expectation of affordability (focus group finding of "affordable" monthly premium of \$25-\$50 for individual coverage and \$100 to \$150 for family plans) noting that under the best of circumstances these may be enormously difficult for the Exchange to achieve. Mr. Bye agreed that is a concern.

Public Comments:

Betsy Imholz, director of special projects, Consumers Union, stated that she was not surprised by the affordability price points. Cost is the number one concern. Consumers Union has found a high percentage of people with insurance do not get care because of the cost.

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network, noted that determining price point is important.

Micah Weinberg, senior policy advisor, Bay Area Council, said the focus group affordability data represent a wakeup call in terms of what people actually consider affordable. Subsidies will do some of the work for those with lower incomes, but the prices in the Exchange are partly a function of the risk pool of the entire individual market.

Beth Capell, Health Access California, looks forward to further qualitative research and hopes polling will be done in multiple languages. On behalf of the Congress of California Seniors, a member of Health Access, Capell noted the 3:1 age banding is very helpful to getting 50–64 year olds to enroll, even healthy ones.

Jonathan Tran, California policy and program manager, Southeast Asia Resource Action Center, suggested testing the messenger as well as the message since the Exchange is delivering its messages to communities that historically have not trusted governmental institutions.

Agenda Item VI: SHOP Options

Mr. Lee introduced Yolanda Richardson, the Exchange's Deputy Chief Operations Officer, pointing out she has experience running one of the nation's largest small employer group purchasing programs, having served as Vice President of Operations at PacAdvantage.

Presentation: [Small Business Health Options Program \(SHOP\) Options Overview](#)

Ms. Richardson provided an overview of issues pertaining to the establishment of the SHOP and introduced Sandra Hunt, a consultant with PricewaterhouseCoopers, to provide an overview of options and preliminary recommendations for the board's consideration. Ms. Hunt covered the five board recommendation briefs and the background brief, which are posted on the website. Ms. Hunt's presentation included discussion on options for alignment of health plan issuers between the individual and SHOP exchanges; alignment of benefit plan offerings between the individual and SHOP exchanges; optimizing employer and health plan participation; optimizing benefit administration support; and options to optimize ancillary benefit support.

Mr. Lee noted that the recommendation for partial alignment would mean that health plans would be expected to participate in both individual and SHOP Exchanges. Under

the partial alignment option, the Exchange would reserve the right to grant an exemption to this policy, for example in the case of a health plan only licensed in one market.

Mr. Lee also highlighted issues of employee and employer choice. While there is broad support for employee choice, the concern raised by plans is that it may come at a cost. Plans have noted that they would price the product differently if they knew employees could pick any product at any level. Staff has requested further data on what price differences might be.

Mr. Lee added every health plan has minimum contribution requirements from employers participating in the small group market. For example, some say you must have 50 percent premium support, and some percentage of employees participating. The goal is to have the SHOP mirror the market as much as possible to avoid adverse selection.

Discussion:

There was discussion between board members and Ms. Hunt regarding the presentation relative to consumer choice and the need to balance affordability and cost and avoid adverse selection.

Public Comment:

Emily Rusch, state director, California Public Interest Group, mentioned that her colleague Austin Price has done outreach to small businesses around the state, through their lists, canvassing, and talking to small businesses. Cost and value were frequently mentioned.

Doreena Wong, Asian Pacific American Legal Center, represents a coalition of different statewide organizations working in the Asian, Native Hawaiian, and Pacific Islander community across the country. She suggested that one way to help increase the volume of people insured in the Exchange would be to ensure plans are culturally and linguistically appropriate.

David Chase, California outreach director, Small Business Majority, agrees that employers love employee choice. Employee choice has two dimensions: carriers and tier. The organization is not aware of any evidence of higher cost when employees are allowed to choose between carriers, so workers should have at least that much choice.

Kathleen Hamilton, director, the Children's Partnership, the 100% Campaign, and the California Coverage and Health Initiatives, was pleased by PricewaterhouseCoopers's and staff's recommendations. Support expressed for the general direction with a few exceptions. While most employers and individuals desire choice, it will be critical to decide how much choice is appropriate from a consumer management perspective.

Athena Chapman, director of regulatory affairs, California Association of Health Plans (CAHP), urged the board consider the impact of limiting plan choice. CAHP member plans oppose the full alignment of benefits and cost sharing. Allowing full employee

choice among the metal tiers carries a high risk of adverse selection and higher costs. There is no objection to the Exchange paying agents directly as long as that doesn't extend to captive agents. The recommendation for participation requirements to mirror the marketplace is supported.

Ruth Liu, Blue Shield of California, stated Blue Shield does not support partial alignment and recommends option A3, which requires no alignment. Requiring insurers to participate in both Exchanges will limit the number of available qualified health plans in the individual Exchange, which could undermine enrollment objectives. Blue Shield asks the board consider adding option 2 as well as option 3.

Carla Saporta, health policy director, the Greenlining Institute, urged the board to consider option 2 where the Exchange matches health plan commissions and acts as the issuer of payments to the agents. It encourages the board to adopt agent participation rules similar to the certification and registration standards of those selling in the individual Exchange, urging the board to go beyond establishing a financial relationship with agents and validating licensure, but monitoring and licensing quality assurance standards, data reporting, and other activities.

Bill Wehrle, vice president of health insurance Exchanges, Kaiser Permanente, supports the recommendation for alignment of issuers between the SHOP and individual Exchanges.

Steve Young, senior vice president and general counsel, Insurance Brokers and Agents of the West, said his organization supports option 2 in terms of agent commission. Choice is good, but it has implications for the agent payment options. The more choice is offered, the more important it is for there to be centralized billing to employers and centralized payment to agents—so it makes sense for the Exchange to administer the payment to the agents under those conditions. Option 3, in which the Exchange would set commission rates, is not supported because of the potential disruption in the marketplace if the Exchange rates are higher or lower than those in the outside market.

Francine Morey, Anthem Blue Cross, noted Anthem's experience participating in a private Exchange pool showed employee choice correlates to adverse selection. The individual and small group Exchanges should remain separate paths from a benefit perspective as well as in terms of plan alignment. Anthem is concerned other carriers won't participate if alignment is required.

Beth Capell, Health Access California, suggested the Exchange can obtain evidence on whether or not there is adverse selection and then monitor moving forward, working with the regulators to ensure they review these rates separately if the Exchange goes with full employee choice. This tool is in addition to risk adjustment and transitional reinsurance, which are both mandated under federal law.

Julianne Broyles, California Association of Health Underwriters asked that it be noted that prior comments submitted were also on behalf of NAIFA California and IBA West. Employers should establish the metal tiers and permit employees to choose plans within those tiers or buy up. Option 2 for agent compensation is supported based on discussions with the board and staff. Addressing the suggestion that the Exchange do more than provide health care selection, performing back office work, etc., Broyles noted that some general agencies are proud of the excellent service they already provide and asks that that not be made an Exchange priority.

Agenda Item VII: Next Steps: Outreach and Marketing

David Panush, director of Government Relations, presented a summary of stakeholder comments and marketing and outreach recommendations developed by the Exchange, DHCS and MRMIB, with support from Ogilvy Public Relations. These recommendations will be part of a staff recommendation presented at the June 19th board meeting and incorporated into the Exchange Level 1.2 funding request.

Presentation: [Outreach & Marketing Summary of Comments and Recommendations](#)

Decisions on these recommendations will be made at the next board meeting.

Discussion:

Board member Ross thanked Mr. Lee and the staff for doing a good job of authentic, engaged listening, and thanked the stakeholders, saying he has learned from them. There was discussion among Ogilvy, Mr. Lee and board members concerning the timing of the paid media campaign and particularly with regard to first open enrollment in October.

Public Comment:

Elizabeth Landsberg, director of legislative advocacy, Western Center on Law and Poverty, expressed thanks for the increase in the funding for community grants

On phone: Robert Castaneda, La Cooperativa Campesina de California, spoke on behalf of the organization's executive director. La Cooperativa is a statewide organization of rural service providers across California reaching 130,000 participants last year, with 74,000 of their families being farm worker families. He noted a presence in rural areas is not enough to mitigate the higher cost of reaching those areas and asked the Exchange to consider a fee differential for rural community based organizations.

Al Hernandez-Santana, director of policy, California State Rural Health Association, observed Healthy Families and MRMIB experience has shown media is better to raise awareness and reach a broad number of people, and community grants are better for reaching hard-to-reach and limited-English-proficient populations.

Carla Saporta, health policy director, Greenlining Institute, noted the Institute is pleased with the recommendation to increase grants to get community based organizations

involved who provide on-the-ground outreach to the community, but who couldn't provide this outreach without funding. This will help reach communities of color.

Beth Capell, Health Access California, thanked Board members Ross and Belshé for remarking on the need to consider reaching out early and investing heavily. Health Access appreciates Mr. Lee's remarks about the desirability of people keeping the coverage they have. One of the targeted audiences is those who lose job-based plans, and they concur that another must be those who think coverage isn't important.

Joanie Rothstein, California School Health Centers Association appreciates the recommended increase in the grants allotments. These funds can support grassroots organizations and other deeply connected entities whose networks can help create a culture of coverage.

Betsy Imholz, director of special projects, Consumers Union, offered praise, thanks, and support for the recommendations. Speeding up on branding and naming is good, as is the idea of earlier paid media.

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network, also spoke as part of the Having Our Say Coalition, a group ensuring that health policy solutions address the needs of communities of color. The translation of marketing materials into the Medi-Cal threshold languages will help other groups get involved in partnership. The Network would like to know more about the criteria that will be used to determine which community based organizations get the grant money and hopes it is available to small CBOs who have a hard time competing with the larger ones.

Stella Kim, California Partnership and the Having Our Say Coalition, noted her statewide antipoverty coalition of about 130 groups has been considering and seeking solutions for the state's communities of color. Most people don't know about the Exchange. Also appreciated is languages and focus groups that encompass six Asian languages and English and Spanish. It would be helpful to see other languages in the focus groups.

Kiwon Yoo, policy director, Insure the Uninsured Project, noted it is important not to downplay the importance of reaching out to hard-to-reach populations and communities of color. The Exchange must also aggressively market to the easier to reach, very visible and vocal groups, like the middle class and small businesses, who can help promote enrollment momentum and also win over those who are skeptical of the Affordable Care Act.

Speaker on behalf of Earth Mama Healing expressed appreciation of the African American community. The community needs more of a voice and wants to share via focus groups. Please continue to keep African Americans in mind when developing plans; they don't have many people speaking up for them.

Regina Range spoke on behalf of the low income portion of the community. This work is very important, from her personal experience as someone who timed out of welfare in 2008. She has been denied County Medically Indigent Services Program services because she doesn't have an income. Marketing efforts should target the users of other public benefits, like food stamps, because they need medical coverage too.

Doreena Wong, Asian Pacific American Legal Center, the Having Our Say Coalition, and the Health Justice Network, appreciates the adoption of the silver level to include the Asian American, Pacific Islander, and Native Hawaiian communities in the focus groups and messaging. She hopes to see it expanded to other groups.

Jonathan Tran, California policy and program manager, reiterated Ms. Sanders's point about prioritizing smaller community based organizations and in particular discouraged the exclusivity of funding so-called evidence-based practices.

Brett Johnson, associate director of medical and regulatory policy, California Medical Association, expressed appreciation for the emphasis on physicians as trusted messengers and hope that it will remain an emphasis as the Exchange considers outreach to hard-to-reach populations. He highlighted the importance of recommendation 2 in the area of partnerships, that outreach and education efforts be closely coordinated with and complement the navigators program.

Stephanie Hodson, public policy associate, United Ways of California, thanked the Exchange for the proposal to increase the outreach and education grants amount for community partners, and agreed that emphasizing retention is important.

Marcia Dávalos, Latino Coalition for a Healthy California and the Having Our Say Coalition, noted the silver media purchase campaign level is a good starting point, but it is important to do early paid media and consider its effect on communities of color.

Marisol Franco, California Latinas for Reproductive Justice and the Having Our Say Coalition emphasized it is important to consider including small community based organizations in outreach and requested additional funding for navigators and assisters.

Agenda Item VIII: Next Steps: Assisters, Navigators, Agents

Mr. Lee introduced Gary Cohen, the Exchange's new General Counsel, to discuss navigators and assisters. Staff will bring back to the board revised proposals on agent compensation at the July 19 meeting.

Mr. Cohen reported more than 50 written stakeholder comments were received on this topic as of May 31. The comments included broad support and constructive recommendations. These recommendations are for assisters in the individual market. SHOP assisters will be discussed at a later meeting.

Presentation: [Assisters Program Summary of Comments and Recommendations](#)

Brightstar Olson, from Richard Heath and Associates, gave an overview of stakeholder input process for the Assisters Program including the funding of enrollment fees, potential options for managing enrollment fee challenges, a summary of feedback on compensated and uncompensated assistance, assister roles as well as assister training and certification.

Mr. Lee underscored the goal is a coordinated, unified program that will be responsive to enrollees for all programs. Who will be paid and not paid for Healthy Families and Medi-Cal enrollment is yet to be determined.

The Exchange is seeking input on assister terminology; comments should be submitted by June 15. Two potential names for all assisters are “certified assisters” and “certified enrollment assisters.” Navigators would be compensated assisters, but there won’t be two classes of certification, just differences in compensation. Regarding paying for plan renewals, retention is important and there will be a lot of work with plans. Mr. Lee also noted the California Department of Insurance indicated it could support the navigators certification process.

Discussion:

There was a discussion among board members and Mr. Lee regarding compensation of providers and community-based clinics as navigators. Mr. Lee observed the Exchange must be constantly mindful about the value of what it provides and that Navigator fees are funded by the premium dollars of relatively low income Californians and not federal dollars. He added the Exchange must constantly review and revise, measure return on investment, and monitor which assisters and navigators actually get people enrolled and agents’ success compared to navigators.

Public Comment:

Ivana Krajcinovic, Unite Here Health. Unite Here Health is a multistate plan for hospitality workers, helping immigrants and the working poor by phone and in person. The penalty for employers dumping workers onto the Exchange is very low, so it is expected many who are currently covered may find themselves in the Exchange. Unite Here Health should be trained to assist enrollment with no expectation of compensation.

Fatima Morales, Community Health Councils (CHC), commended the inclusion of providers as navigator entities, eligible for grants.

Elizabeth Landsberg, director of legislative advocacy, Western Center on Law and Poverty, pointed out that while problems created by Proposition 26 [fees collected by the Exchange cannot be used to fund application assistance for Medi-Cal or Healthy Families enrollment] are not of the Exchange’s making, they are concerned about the first option presented by staff, requiring navigators to only do Exchange enrollment.

Mr. Lee explained that every potential enrollee must be screened for Medi-Cal eligibility for a navigator to be compensated for Exchange enrollment. He noted the distinction is whether or not there will be a handoff for plan enrollment. Navigators and assisters cannot make eligibility determinations anyway; the CalHEERS system determines that.

Ms. Landsberg remains concerned about the possibility of taking someone most of the way but not helping them to complete the process, especially in the case of Healthy Families where an individual has no coverage until enrolled in a plan. The Exchange's desire to work with its partners to figure out how to pay them is appreciated. There is concern that a \$58 fee is too low for many community based organizations.

Molly Brassil, associate director of public policy, California Mental Health Directors Association and the California Coalition for Whole Health, described her group as behavioral health stakeholders concerned with conforming the ACA to mental health and substance abuse treatment needs. It is hoped the program will include a comprehensive training component in mental health and substance abuse equity and parity laws since consumers in the private market are often misinformed about their benefits.

Kathleen Mossburg, California Health Council, family planning clinics, thanked the Exchange for better coordinating navigators and the outreach dollars.

Brianna Pittman, legislative advocate and policy associate, Planned Parenthood Affiliates of California, appreciates the recommendation to allow community clinics to become navigators and to link grants with the assisters program.

On phone: Robert Castaneda, La Cooperativa Campesina de California, said the \$58 fee would be insufficient for reaching the rural communities that they serve. It's worth looking at connecting with the grant program or some other method of obtaining marketing and outreach dollars to help subsidize enrollment activities. The cooperative would be willing to assist in that effort.

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network, noted that they are not a direct services provider, but many in the Having Our Say Coalition are. They appreciate the outreach and education grants, but are concerned about the \$58 fee. Eligibility and enrollment can be very time consuming, and an application can take an hour to three days or longer, depending on the barriers people face.

Jongran Kim, Korean Resource Center and the Having Our Say Coalition, said funding is needed not just for enrollment but utilization and retention. Language barriers make it hard to access care for their hard to reach immigrant community, and \$58 is not enough for that work.

Kim McCoy Wade, Alliance to Transform CalFresh, observed that navigators' roles need to reflect the system the Exchange builds. It's not yet known how the Exchange and

human services will be connected, so the Exchange should leave open what navigators will do with regards to human services.

Meaghan McCamman, associate director of policy, California Primary Care Association, expressed California's community clinics' gratitude at the revised proposal that would allow clinics to serve as navigators. The hybrid model of navigator compensation is supported including grants and per enrollment fees. In light of Proposition 26, it is hoped the Board will revisit the concept of hybrid grants for enrollment.

Joanie Rothstein, California School Health Centers Association, noted about 50 percent of the school based health centers in California are sponsored by community health centers. Other school-based health centers are not sponsored by community clinics, and are instead sponsored by counties, school districts, and other entities. It is hoped the Exchange will expand eligibility guidelines even further so that all school-based health clinics could be navigators and contribute to the targeted outreach so important to the Exchange's success.

Brett Johnson, associate director of medical and regulatory policy, California Medical Association, supports option 1 on key issue 2, in which providers can serve as navigators. Association members offer a point of contact for hard to reach patient populations, such as uninsured parents of insured children, expectant mothers transitioning off of public insurance, and patients in temporary employment situations. Nominal reimbursement would help with screening and enrollment.

Edie Ernst, communications director, Private Essential Access Community Hospitals, expressed support and appreciation for the updated recommendation that both direct benefit assisters and navigators be eligible for the grant programs.

Anne McLeod, senior vice president of health policy, California Hospital Association (CHA), noted while many hospitals have on-site enrollment support in place, many don't.

Kathleen Hamilton, the Children's Partnership and the 100 Percent Campaign, is encouraged by many aspects of the recommendations, but finds it troubling to hear that the navigator program might envision no compensation for navigators who enroll in CHIP and Medi-Cal. California has several million families with complex situations, and there's a new Urban Institute report providing data on those families, detailing their complex enrollment needs. There's a need for navigators to be fluid between programs.

Mark LeBeau, health policy analyst, California Rural Indian Health Board, noted tribes, tribal organizations, and urban Indian organizations may be designated as navigators. The state would be well served to consult with them to ensure the Exchange addresses Indian issues, can successfully reach out to Indian communities, and assists Indians to fully access the benefits and protections to which they are entitled. The tribes recommend that their health facilities and organizations participate as navigators as provided by federal law.

Betsy Imholz, director of special projects, Consumers Union, noted that many people spoke about \$58 not being enough, so she suggested reconsidering the hybrid approach, perhaps a pilot version.

Suzy Shupe, executive director, California Coverage and Health Initiatives, noted that the board must go slowly and think carefully about the implications of not paying navigators for enrollments into public programs given the lack of funds from other sources. There are profound implications for the no wrong door system. More information is requested on how the \$58 recommendation was reached.

Beth Capell, Health Access, added that driving a lot of the math is the assumption regarding how many people will need individualized assistance. That assumption is not based on any evidence; please look for evidence of what level is necessary. That assumption leads the Exchange to an insufficient level of compensation. Meanwhile, not only do agents earn more than navigators, but they are also guaranteed renewal fees.

On phone: Lillian Coral, 211 California, shared concern about individuals or those with family members eligible for Healthy Families or Medi-Cal being sent elsewhere. Many seeking programs will have that challenge, and a no wrong door approach will be critical to the Exchange's success. The Exchange should look to partners like 211 to help enroll people. Many of the 1.4 million people it serves would be eligible for the Exchange, and the network can help identify, educate, and connect people, and that would position them to help individuals do more of a soft handoff between public and private programs.

Agenda Item IX: Federal Establishment Support: Level I Phase 2 Grant Outline

Mr. Lee introduced Michael McCluer, the Exchange's Chief Financial Officer to present an overview of the Level 1 Phase 2 grant request.

Presentation: [Business Plan and Budget for Level 1.2 Establishment Grant](#)

Mr. McCluer presented the Exchange's business plan and budget covering the period August 15, 2012 through June 30, 2012. Mr. McCluer believes the Exchange is on track to sustainability. There will be additional grants for items such as the service center, which is still being researched. The Level 1.2 Establishment Grant will provide \$194 million (\$188.2 million net of savings on the Level 1.1 Establishment Grant) for the period August 15, 2012 through June 30, 2013 and will fund a planned staffing level of 203.

Discussion:

Board member Belshé asked if the estimated navigator cost is on top of the \$57 million. Mr. Lee said it is; this only goes through June of 2013. The establishment expense for the navigator program is included, however. The range of what navigators might be paid depends on how many people use a navigator, and the range is \$20–70 million.

Public Comment:

Beth Capell, Health Access California, regarded this as the most important discussion of the day, because funding drives so much of the Exchange's activities.

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network, asked if the Exchange was considering hiring a cultural and linguistic access coordinator as discussed in the original Level 1 grant.

Agenda Item X: Adjournment

The meeting was adjourned at 4:38 p.m.